

VZCZCXRO3321
PP RUEHMR
DE RUEHSB #0770/01 1791526
ZNY CCCCC ZZH
P 281526Z JUN 06
FM AMEMBASSY HARARE
TO RUEHC/SECSTATE WASHDC PRIORITY 0263
INFO RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
RUEHUJA/AMEMBASSY ABUJA 1255
RUEHAR/AMEMBASSY ACCRA 1100
RUEHDS/AMEMBASSY ADDIS ABABA 1259
RUEHBY/AMEMBASSY CANBERRA 0520
RUEHDK/AMEMBASSY DAKAR 0885
RUEHKM/AMEMBASSY KAMPALA 1313
RUEHNR/AMEMBASSY NAIROBI 3684
RUEHFR/AMEMBASSY PARIS 1082
RUEHRO/AMEMBASSY ROME 1721
RUEKDIA/DIA WASHDC//DHO-7//
RHEHNSC/NSC WASHDC
RUEHBS/USEU BRUSSELS
RUEKJCS/JOINT STAFF WASHDC
RUCNDT/USMISSION USUN NEW YORK 1470
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK//DOOC/ECMO/CC/DAO/DOB/DOI//
RUEPGBA/CDR USEUCOM INTEL VAIHINGEN GE//ECJ23-CH/ECJ5M//

C O N F I D E N T I A L SECTION 01 OF 03 HARARE 000770

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AF/S FOR B. NEULING
NSC FOR SENIOR AFRICA DIRECTOR C. COURVILLE
AFR/SA FOR E. LOKEN
COMMERCE FOR BECKY ERKUL
TREASURY FOR J. RALYEA AND B. CUSHMAN

E.O. 12958: DECL: 12/31/2011
TAGS: [EAGR](#) [PGOV](#) [ASEC](#) [EINV](#) [PHUM](#) [PREL](#) [ECON](#) [ZI](#)
SUBJECT: NO STABILITY IN SIGHT FOR ZIMBABWE'S LAND REFORM

REF: HARARE 766

Classified By: Ambassador Christopher W. Dell under Section 1.4 b/d

Summary

¶1. (C) Commercial Farm Union Vice President Trevor Gifford on June 27 updated poloff on the GOZ's latest 99-year lease form, which would vest in the GOZ unfettered authority to repossess any properties distributed in its ongoing chaotic land reform process. Gifford said the form offered insufficient security of tenure to attract investment or financing. He described a new wave of evictions underway and cast remaining commercial farmers as political footballs between Vice President Mujuru's "economic team", who were pushing production, and hardliners under Minister of Security and Lands Mutasa, who wanted all whites off the land. He noted GOZ plans to legislatively implement its control of most of the sector and a CFU colleague elaborated on the worthlessness of GOZ compensation offers to displaced commercial farmers. Meanwhile, land use among ZANU-PF farm claimants continues to be disrupted by squabbles over unclear or conflicting rights to possession. End Summary.

Unmarketable 99-Year Lease Form

¶2. (C) Gifford shared a CFU critique of the GOZ's latest lease form (transmitted to AF/S), the purported centerpiece of the GOZ's effort to revive agricultural productivity. Central among the host of deficiencies highlighted in the document was the GOZ's authority to take back the land for

"any breach" of the lease or if the GOZ deems the "the leasehold is not being properly managed." Proper management was undefined and the lease provided no constraints on the GOZ's ability to terminate leases at any time.

13. (C) Gifford said the lease form remained in dispute within the GOZ, which found it impossible to resolve its conflicting objectives of draconian control and lease marketability. In any event, in its current form it was insufficient either as a basis for secure tenure to attract investors or as a basis for collateral to enable badly needed agricultural finance. Nonetheless, hundreds of commercial farmers had been desperate enough to apply for land from the GOZ under lease arrangements; none had yet received access to land.

New Waves of Evictions in Spite of Mujuru Intervention

14. (C) Gifford said that a new wave of evictions got underway in April, completely contradicting GOZ publicity about interest in securing the environment for commercial farmers. Fourteen farmers were physically evicted and 20 more threatened with eviction - mostly in Midlands and Mashonaland West. More than half of the evicted farmers were restored possession and the twenty successfully resisted eviction with the help of what he informally dubbed the GOZ's "economic team": Vice President Mujuru, Central Bank Governor Gono, Minister for Economic Development Gumbo and Mashonaland East Governor Kaokonde.

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15. (C) Gifford reported that a more recent wave of evictions commenced about two weeks ago. About ten more farmers had been served with eviction notices signed by Mutasa and more were expected. The notices afforded 90 days to vacate with two-year jail terms for those who failed to comply. Gifford noted that several of the targeted farmers had signed MOUs with the Ministry of Agriculture just two months ago for production of winter cereals. The uncertainty had led many farmers to limit their planting of winter cereals.

16. (C) Gifford said the mixed messages reflected a power struggle underway between Mujuru and her supporters and hardliners aligned with Mutasa. Mujuru's group saw commercial farmers as a key to reviving the productivity necessary to the ruling party's political future. Gifford said he "had absolutely no doubt" that Mujuru had been advocating hard on their behalf. Indeed, she had engineered a directive ordering a freeze on all disruptions or dispossessions of commercial farmers -- a directive flagrantly ignored by Mutasa, his allies, and in some instances opportunistic locals exploiting the lack of clear authority. To Mutasa and the hardliners, the commercial farmers were ostensible "security threats" and their farms plums to be plucked in a patronage exercise. Mutasa had made clear publicly and privately that he wanted all whites off the farms, according to Gifford.

17. (C) As for Mugabe, Gifford continued, by refusing to weigh in decisively on either side, he assured that commercial farmers would remain political footballs in this power struggle and that the agriculture sector would remain paralyzed by uncertainty and disruption. Gifford said Emmerson Mnangagwa, Mujuru's principal rival in the ongoing struggle to succeed Mugabe, and his allies were biding their time quietly, apparently hoping to use the chaos to their political advantage against both Mujuru and Mutasa.

Legislation to Enable GOZ Control of Most Ag Land

18. (C) Gifford confirmed that GOZ was preparing to introduce

legislation to implement Amendment 17 to the Constitution, which last year established government ownership of most agricultural land in the country. Gifford asserted that the version he had seen would exclude from government ownership the lands of selected ruling elites who were not on lists referenced in the legislation. He said the bill was controversial within ZANU-PF, and suggested it might play out like the NGO and education bills, which initially were not signed into law after being passed by the parliament.

Worthless Compensation Offers

¶9. (C) Elaborating on reported compensation deals underway, CFU Executive Director Hendrik Olivier told poloff on June 26 that the GOZ was offering dispossessed commercial farmers pennies on the dollar for past improvements made on seized properties. Typical offers were for between 5 and 10 percent of the assessment values. The payouts would be made over time in a manner that, under current quadruple digit inflation conditions, would render them worthless. For those farmers who demanded payment immediately, the GOZ was assessing a 40 percent penalty, further eroding the compensation. Although such conditions were very

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unattractive, he noted that some destitute farmers had taken the opportunity to settle, which had the unfortunate impact of weakening the union's front against government.

Intra-ZANU-PF Land Wrangles Continue

¶10. (SBU) Meanwhile, the independent and state-aligned media continue to chronicle legal battles and conflict between ZANU-PF loyalists over property seized under land reform. Among those headlined for property disputes during the past few weeks are Party Chairman and Speaker of the Parliament John Nkomo, Party Director of Administration Shava, and Minister of Agriculture Made. Embassy staff travel around the country confirms that most former commercial farms lie largely fallow and sector analysts estimate that land utilization among ruling party elites who received some of the best properties in land reform remains well below 50 percent.

Comment

¶11. (C) The continuing disarray in GOZ land reform shows no prospect of abating in the foreseeable future. Real security of tenure is the key to restoring the sector's productivity but remains anathema to much of the party leadership because it would eliminate a central pillar of the patronage system. Moreover, the dependence of all agricultural actors on the government creates invaluable opportunities for corruption among the elites, even as it stymies investment and production in the overall economy. Even the seemingly more constructive approach of Mujuru's "economic team" unhelpfully revolves around personal power relationships rather than systemic reforms, and Mutasa's alleged racially inspired agenda strikes us as rather closer to the truth than the conciliatory posture he tried to adopt recently for the diplomatic corps (reftel). In this environment, any GOZ exercise of its right to terminate -- assuming a lease form is ever approved -- will play out in the context of corruption and internecine power struggles unrelated to purported productivity priorities. Like most purported revolutions, Mugabe's "Third Chimurenga" is heading towards a stage of eating its own in endless internal battles for power, position and profit.

DELL